

J.B. Milner (1969)

Review of the  
**Report of the Federal Task Force on  
Housing and Urban Development,**

Paul Hellyer, Chair (Ottawa: Queen's Printer, 1969. Pp. 86.),

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## REVIEWS OF BOOKS

*Report of the Federal Task Force on Housing and Urban Development.* PAUL T. HELLYER. Ottawa: Queen's Printer, 1969. Pp. 86. \$1.00.

The Federal Task Force on Housing and Urban Development was appointed on 29 August 1968 and reported early in 1969. Its task – 'to examine housing and urban development in Canada and to report on ways in which the Federal government, in company with other levels of government and the private sector, can help meet the housing needs of all Canadians and contribute to the development of modern, vital cities' – might have been expected to take rather longer, but the Task Force, chaired by the Honourable Paul T. Hellyer, then Minister of Transport, seemed more anxious to report early than thoroughly. Its eighty-five pages provide an intimate and penetrating glimpse of the obvious but, because it represents a very considerable flurry of political activity, it should be looked at constructively, so that whatever solid and substantial advantage may be had from it will be taken.

Its prime recommendation would seem to be its emphasis on the 'nationalization' of urban land, although it nowhere uses such radical language. Nevertheless, since the control of urban development is completely dependant on the control of land and land use, the proposal to control it (and its price) through ownership is a welcome one and must receive the most sympathetic analysis and understanding.

There are some curious deficiencies in the Report. It is not documented. Indeed, it is difficult to say for whom, or to whom, it was written, and whether it represents federal government policy or not. Vague hints about pending legislation early in February did nothing to remove this doubt.

One major omission is a possible clarification of the present ambivalence of the federal housing policy. It is quite uncertain whether it is housing, or the lack of it, that is the concern of the government, or whether it is the anti-cyclical public investment that a housing policy makes possible, that is really the concern. It could, of course, be both, but a statement that fiscal policy is more important than housing, while perhaps politically unpopular, might allay false hopes and avoid other forms of more undesirable criticism.

Although the Report purports to be about housing *and* urban development, it is almost exclusively about housing, about which one suspects the Task Force members may have thought they knew something, while they may equally have thought that they did not understand what urban development was all about. It seems to mean only housing conditions as opposed to numbers, and apart from a few sentences about inadequate zoning (on p. 44) the Task Force has not concerned itself with what are loosely called 'the amenities,' which loom large in 'urban development.' Urban development is not just sewers.

Despite these queries the subject matter is important enough to justify a closer look at the recommendations, but it is difficult to say at times what the recommendations mean. Very often the text of the report is more revealing but the revelation is not always reflected in the recommendations.

### *Financing*

The forty-seven recommendations are divided into seven groups. The first, Financing, provides nothing novel and leads to the conclusion that the Task Force, having called its shot: '[the members] do hope ... they may at least be

adjudged to have gone deeper than mere conventional wisdom' (p. 21), has missed it entirely. Essentially the financing recommendations are designed to bolster the federal government's support of private lending agencies in the housing mortgage field. These '[National Housing Act, 1954] mortgages' are available only to the top third of Canadian house purchasers.

The proposal is that the maximum loan ceiling of \$18,000 should be raised to, say, \$30,000 and the general repayment period from twenty-five to forty years. This type of 'reform,' which has been a continuous characteristic of NHA legislation from its earliest beginning (although a jump from \$18,000 to \$30,000 would be the largest so far), is likely to benefit the upper-middle-income group, but offers nothing for the lower-middle and lower-income groups, which are expected to make do with hand-me-downs. 'But to seek as a basic principle that all Canadians have access to clean, warm shelter is not by any means to suggest that everyone has a right to new housing' (p. 33). In order to make the 'filtering down' process work it is apparently only necessary to provide 'comparable mortgage conditions' for purchasers of existing 'homes' to those applicable to new houses (p. 34). The National House Builders Association suggested such a reform seven years ago,<sup>1</sup> but it was not in support of the naive, untested notion, uncritically accepted by the Task Force, that suitable housing – 'clean and warm' – for low-income purchasers would trickle down if the housing market were more fluid for the higher-income groups.

This uncritical acceptance of the 'filtering down process' (the expression is used on p. 34) pervades the Report and one might have expected some attempt to explain how it worked. No explanation whatever is offered.<sup>2</sup>

#### *Land Cost and Utilization*

The second group of recommendations has to do with Land Cost and Utilization – the 'second most important factor' in rising housing costs (p. 37). Again the recommendations smack of 'conventional wisdom' and offer nothing striking or original. The first proposal, to treat all profits from the sale of land as taxable income, leaves one wondering who is to suffer the supposed discentive. Developers must treat such profits as income now. The most likely victim is the householder who sells his house because he has to move away for business reasons. Or the widow who sells to pay succession duties, perhaps. Strangely enough, the Task Force does not suggest that any part of the new tax go to the municipal government whose servicing has contributed to the increased land value. Possibly a percentage of the mark-up in value should go to the municipal government and be deductible from federal income tax. Nowhere has the Task Force shown any concern for what is known in some circles as the 'compensation-betterment problem.'<sup>3</sup>

Another proposal is to investigate 'site-value taxation,' a much talked about alternative to the common capital value taxation, covering both land and

1. See the submission of the National House Builders Association to the Canadian Royal Commission on Banking and Finance, paras. 4.50-4.58 (1962) reproduced in Milner, *Community Planning: A Casebook on Law and Administration*, (Toronto, 1963), 289-91.

2. For a critical discussion of the filtering down concept, see Professor David Donnison, 'Housing Problems and Policies: An Introduction,' Background Paper No. 1, Canadian Conferences on Housing, Ottawa, 1968 (mimeo). At the very best, houses designed for single-family occupancy are used for multiple-family occupancy or as rooming houses, where different design would be better. At the worst, the houses do not, in fact, filter down, but are used by the expanding upper income group.

3. The classic statement is the *Final Report of the Expert Committee on Compensation and Betterment* 1942, Cmd 6386, reprinted 1953. It is commonly called the Uthwatt Report and the main passages about the problem are reproduced in Milner, *supra* note 1, at 88-95.

improvements. Unfortunately the Task Force did not think it worthwhile to document its report, so we have no notion of the investigation that preceded this 'wondering' whether site-value taxation is 'not worthy of serious study'.<sup>4</sup>

The closest thing to a fresh proposal is the suggestion that municipalities or regional governments should 'acquire, service and sell all or a substantial portion of the land required for urban growth within their boundaries' (p. 43). Here again, the 'compensation-betterment' aspect of the solution is ignored. If the owner whose land is to be used is wholly compensated should those whose land is sterilized not also be helped accordingly? If so, shouldn't there be some connection between this cost and the land taxing policy? Other difficulties are also ignored. If the local government acquires *all* land required for urban growth, it will be a monopolist and will face very difficult problems in disposing of the land. The Task Force proposes that it sell the land, although at what price or to whom is not discussed. In any case, having acquired the land, even conventional wisdom recommends that it only be leased for development. Control by lease is flexible and readily accepted in many countries, although it is still novel in Canada. When urban renewal is necessary, the land does not have to be expropriated at great cost. That is a long-term advantage – possibly a century from now – and it is hardly fashionable these days to think in terms of centuries.

At this point the Task Force emotes about current subdivisions and zoning restrictions, although again, since there is no documentation, a reader cannot tell whether the Task Force was aware of the extensive literature on zoning standards such as the Zoning Study Committee report of the RAIC, published back in 1965.<sup>5</sup>

A final recommendation suggests that provincial governments should assume a much larger share of education costs. The Ontario Committee on Taxation thought otherwise, after intensive investigation.<sup>6</sup> No attempt is made to discuss the earlier and more elaborate Report.

### *Construction Costs and Techniques*

Seven recommendations relate to Construction Costs and Techniques. The first, that every possible effort be made to encourage universal adoption of the 1970 National Building Code on a voluntary basis, is a good suggestion and hardly radical. Many provinces already have permissive provisions in their municipal legislation to allow municipalities to adopt the existing Code.<sup>7</sup> The problem is to persuade those municipalities that have not done so that it is not an inflationary step. There seems to be some confusion between building with an NHA mortgage and building to Code standards. The Code seems to be more liberal and flexible.

A proposal that both the federal and the provincial governments should remove their sales taxes on building material may fall on deaf ears in the Treasury, but when it is considered that as much as \$900 could be spent on sales taxes in a \$16,000 home, the taxing policy should certainly be reviewed.

4. The literature is fairly extensive, but a good Canadian summary is to be found in the papers presented to a panel on Site Valuation as a Base for Local Taxation in the Report of the 1961 (fifteenth) Conference of the Canadian Tax Foundation, at 68–109.

5. *Reflections on Zoning*, the report of the Zoning Study Committee of the Royal Architectural Institute of Canada (1965). The English version is out of print, but copies of the French text are still available.

6. The Ontario Committee on Taxation, *Report*, 1967, in three volumes, published by the Ontario Queen's Printer. See especially, chapter 20, in volume II.

7. See, for example, The Planning Act, R.S.O. 1960, c. 260, s. 31(1), para. 22.

The other proposals are moderate and do not appear likely to have a great effect on housing construction costs and techniques. Typical of the lack of documentation is the failure to mention the Report of the Committee of Inquiry into the Design of the Residential Environment<sup>8</sup> sponsored by the RAIC in 1960. Since the final proposal in this group is an urging of 'renewed and greater effort ... by architects and other professionals to improving housing and urban design in general' (p. 51), some assessment of the existing study might have been helpful, not to say courteous. But then, courtesy was not first in the minds of the Task Force members, who pointed 'a particular [and ungrammatical] finger at the academics and professionals whom, one might have thought, would be in the forefront of testing conventional wisdoms, of pinpointing urban concerns and of seeking new guidelines and solutions' (p. 20). Evidently they are not – according to the Task Force, which did not bother to tell the academics and professionals what evidence of their contribution it had examined, if any. It may be news to Mr. Hellyer, the Chairman, that CMHC (for which, as Minister of Transport, he reported to the Cabinet) and the Canadian Council on Urban and Regional Research (CCURR is maintained administratively by an annual grant from CMHC) have spent hundreds of thousands of dollars (\$500,000 of which was provided by the Ford Foundation) on highly productive research, much of it of a challenging nature.<sup>9</sup>

### *Social Housing and Special Programmes*

The next group of recommendations is concerned with Social Housing and Special Programmes. The first of these is the controversial proposal that 'The Federal Government initiate a thorough research program into the economic, social and psychological issues of public housing. Until such a study is completed and assessed, *no new large projects should be undertaken*' (p. 55; emphasis added).

A critic of the Report has implied that the Task Force has seriously suggested 'away with all public housing,'<sup>10</sup> and while the recommendation does not say it, in the preceding paragraph we read that 'the Task Force is tempted "cry away with all public housing"' (p. 55). Part of the basis of this temptation is 'an independent study' done for the Task Force by Martin Goldfarb Consultants Limited of Toronto whose 'necessary research did involve in-depth interviews and group discussions with residents of five major public housing projects in Toronto' (p. 54). It would be unkind to Mr. Goldfarb to judge the quality of his research by the cryptic comments in the Report, but there is no reference to any 'in-depth interviews' with people of similar and carefully selected social group living in slum areas of the kind replaced by the housing projects. Doubtless Mr. Goldfarb conducted such interviews because his results without such a control would be worse than useless; they would be dangerously misleading. Yet the Task Force does not tell us what these responses were. Nor does the Report refer to any other research (of which I am told there is a large

8. Royal Architectural Institute of Canada, *Report of the Committee of Inquiry into the Design of the Residential Environment* (1960). Publication of the report contributed in large part to the founding of the Canadian Council on Urban and Regional Research (CCURR).

9. CCURR evidently thought its existence would be news to the Task Force, and since the Report appeared the Council has published a press release attempting to off-set some of the Report's impressions.

10. Professor Albert Rose, in the *Globe and Mail*, 4 February 1969, at 7. Professor Rose is an outstanding authority on housing; his review of the Task Force Report appeared in two parts, on 4 and 5 February 1969, both at 7.

volume) that suggests that it is not size that causes dissatisfaction in public housing projects. They may be 'ghettos of the poor' but it seems a shame that projects coming within the undefined limit of 'large' should not be undertaken for some indeterminate time while what may be largely repetitious research is undertaken.

A complement to large projects (if any are to come after the research) is the acquisition of dispersed existing housing for use by 'low-income groups.' (Nowhere, incidentally, is this conventional euphemism for what used, honestly, to be called 'the poor,' defined with any certainty. Roughly two-thirds of Canadian families receive less than \$7,500 a year (which means that they will have trouble financing a house under present NHA limits.) If there is, indeed, a housing shortage, reassigning these *existing* houses to the poor will not help the shortage, although it may produce a more equitable distribution amongst the richer and poorer.

Perhaps the most striking proposal in the whole report recommends that 'special housing programs and pilot projects for Canada's Indian, Eskimo and Metis peoples be carefully evaluated after a fair trial period and, if found successful, be vigorously pursued to meet the special needs of these groups' (p. 59). This recommendation for direct action is to be applauded. Perhaps, indeed, similar direct action should be taken in behalf of the white, black, and yellow poor, who constitute a culturally dependant group just as much as do the Indian, Eskimos, and Metis, but their cause is not so simply singled out. It is refreshing to find, anyway, that the Task Force recommends as one solution to the housing shortage that houses be built. Its proposals are not entirely fiscal.

### *Urban Development*

Nine recommendations come under the heading Urban Development which, probably because of its uncertain meaning, contains only a hodge-podge of suggestions relating to planning, transportation research, various aspects of urban renewal, and last and not least, urban growth.

The recommendation on planning is that provinces should establish a system of regional governments for each major area, 'since urban planning can only be done effectively on a regional basis' (p. 63). There is nothing new in the suggestion for regional government and Ontario has been in the lead in North America in its study and experimentation. To find the hundreds of difficult questions of policy and administration settled in a page of print is refreshing but hardly useful. Happily, at the end of this group of recommendations comes an apology from the Task Force that it has 'neither the time nor the mandate to explore this urban-regional relationship in any depth' (p. 70). Why, with 'broad and informal' terms of reference, it could not 'explore' is curious, but the Task Force contented itself with the recommendation that the federal government should undertake 'in-depth studies' – if not thorough, at least 'in-depth' – to determine the 'explicit relationship' between urban growth and regional government. I would question whether any such research should be undertaken by the federal government when experienced university faculty could probably do a much better job. It is clear that the Task Force is referring to a city-centred region and it has not directed itself to concomitant and complementary problems of planning on regional bases that are different from the basis of a city-centred region. Oddly enough, although the federal Task Force unhesitatingly advises the provinces, it makes no suggestion whatever about national or federal planning, either in Ottawa or in interprovincial regions.

Some assurance that Mr. Hellyer could convince the government that national and interprovincial regional planning be co-ordinated with the recommended intraprovincial regional planning would have been a cut above the conventional wisdom which the Report exudes.

The recommendations for emphasis on transportation planning – transportation facilities are at the ‘very heart of effective urban planning’ (p. 63) – leaves one with the uncomfortable feeling that for the Task Force planning is, at most, the sum of its parts. First it singles out ‘housing’ and urban development; now ‘urban transportation.’ This favoured kind of planning is also to receive federal help through ‘encouragement’ of a ‘broad program of practical research’ and, ‘as other spending priorities permit’ – (whenever that may be) – a ‘program of loans to municipalities for the development of effective urban transit systems.’ How much more effective a programme of ‘encouragement’ to urban development planning might be seems not to have occurred to the Task Force. Perhaps the Task Force is being disingenuous, perhaps it realizes that a thorough transportation study can *only* be done by a thorough study of all development planning. Unfortunately transportation specialists seem mostly to be specialists. Planning urban transportation has not, so far, proved to be adequate urban planning, and indeed has been dangerously isolated in its proposals, for lack of concomitant land use studies.

The remaining recommendations in this group refer to aspects of urban renewal, itself a speciality planning that can have disastrous effects of thorough general planning. Fortunately there is no novelty proposed the implementation of which would increase the skew of the present policy of substantial federal assistance for the improvement *only* of ‘blighted or substandard’ land.<sup>11</sup> Apart from the fact that urban renewal has not, since 1964, been limited to housing renewal, the Report overlooks little conventional wisdom as it relates to housing. It is agreed that ‘wholesale destruction of older housing’ should be suspended, but probably not for the indefinite period before housing stock has increased to the point where a ‘reasonable number of vacancies exist’ (p. 65). Already urban renewal schemes have called for ‘greater selectivity ... in the demolition of existing houses.’ The Task Force should have looked more closely at Alexandra Park in Toronto.<sup>12</sup> Just why ‘wide areas’ should not be designated is not made clear in the Report, which seems, at times, to be rather irrational about ‘bigness.’ Designation of an area of any size may be a doubtful and unnecessary practice, causing unnecessary uncertainty to landowners and householders in the area, but urban renewal should clearly be planned for the area for which good planning indicates the need, whatever the size. Again, current practice in this respect would seem to be ahead of the Task Force.

Curiously, for a Task Force that prides itself on having talked to the average citizen, its Report is strangely silent about any new and more effective ways for involving the local residents in the urban renewal process without causing it to grind to a halt. If the Task Force had had a more sophisticated understanding of the words ‘urban development’ and had not been so blinded by ‘housing’ it might have had some useful thoughts on ‘citizen participation.’

In the remaining recommendations in this group, dealing with occupancy and maintenance by-laws and their enforcement, little that is new has been

11. S. 23 of the National Housing Act, 1954, as amended by Stat. Can. 1964, c. 15, s. 7, used the expression, but in its administrative interpretation *смhc* has been quite liberal.

12. The Task Force looked at Alexandra Park, in Toronto, where good or reparable housing was retained in the redevelopment, or renewal project. The Force seems not to have understood the significance of what it was looking at. The new approach to ‘rehabilitation’ of old houses has been current since the 1964 amendment, *supra* note 11.

said, and since the Task Force chose not to document its Report, it is impossible to say whether the Force ever even heard of the joint CMHC and Ontario Community Planning Branch study on the subject, published as *A Better Place to Live*, and replete with ideas that would be quite novel, apparently, to members of the Task Force. Of course municipalities should legislate and 'vigorously enforce' minimum standard by-laws. But how? By putting poor people in gaol because they don't repair their leaking roofs? If the federal government really believes that a stock of housing of a minimum standard is a national good, why doesn't it propose some effective financial aid to relieve the present critical situation? Once some sort of acceptable minimum is reached *perhaps* the municipalities could maintain it effectively. The Task Force's curious blindness to problems of poverty is as apparent here as elsewhere throughout its Report. Is there something vaguely sadistic, or masochistic, in the suggestion that property owners, quite possibly old-age pensioners living a life of luxury in the extravagant pension of \$75 a month that a benevolent government gives them, should destroy their hovels 'where and when necessary ... without compensation by the state' (p. 67)?

The proposal that assessment practices should encourage, rather than penalize, the maintenance and improvement of residential properties by their private owners ignores the distinction between maintenance, which normally does not, and certainly should not, attract a higher assessment, and improvement, which, if it increases the market value, should. Perhaps the Task Force would not leave municipalities at the mercy of a mediaeval tax base. If so, it is unfortunate that it was not more explicit.

#### *Administrative Structure*

The sixth group of recommendations deals with Administrative Structure. The first proposal is a motherly suggestion that all levels of government should simplify their procedures. 'Amen' – *if* the public interest is not discarded for a clear run for the private sector. The second proposal sounds somewhat inconsistent, because CMHC is to be added to, by the establishment of a federal Department of Housing and Urban Affairs. It is hard to escape the feeling that once again the government of Canada is to follow, five years later, the Americans, who already have such a department. But why, oh why, *Housing and Urban Affairs*? Why not Housing, Transportation, Urban Renewal, and Urban Affairs? Why not, simply, Urban Affairs? And why not Urban *and Regional* Affairs? Admittedly the Honourable Jean Marchand might be upset by the prospect, but in all truth, a Department of Housing and Urban Affairs would not keep the minister responsible all that busy, but a department that really did a job for both Urban and Regional Affairs could become a major federal department. It might have within it a branch, or even provide for a related but separate council, with membership involving every provincial deputy minister of Municipal Affairs, and the leaders of the local governments of the Dominion Bureau of Statistics' metropolitan areas.<sup>13</sup>

The proposal that CMHC should be decentralized but remain outside the department is an interesting thought for today for students of Canadian government and politics. The resulting situation would be not unlike the government of Sweden generally, where ministries consist of a select group of policy makers, while the day-to-day administration is left to great civil service 'boards.' Montesquieu thought up something like that and Sweden copied it over a

13. DBS metropolitan areas are determined for statistical studies and do not coincide with local government areas, even where metropolitan governments have been established. See 1968 *Canada Year Book*, at 197, for a current list. There are 19 such areas in Canada.

century and a half ago. How it would work in *one* department in Canada is an interesting question.

### Research

The seventh and final group of recommendations contains three proposals for Research.

Thank goodness someone recognizes that more than 7/100 of one per cent of the \$10 billion spent annually in Canada on 'housing and urban development' might be spent on research. How this research money should be spent is not obvious. The Report would leave it to the new Department of Housing and Urban Affairs to 'encourage, support and co-ordinate' an expanded research programme with added emphasis on 'practical research programs, including pilot projects.' Naturally, since the Task Force did not document its own 'research,' it does not appear whether the Force ever became aware of CCURR, a body to which CMHC annually contributes \$140,000 or so. Since this is virtually the only urban research council in Canada (acknowledging, of course, the urban research promoted by CMHC), the Task Force might have looked more closely into the Council's programme, which has advanced to a sophisticated degree the kind of research promotion of which the Task Force was just beginning to suspect the elementary steps. All that CCURR needs is a generous dose of capital and the job the Task Force wants done would be done. That Council is already working on the 'creation of a central information bank for urban and regional data' (suggested by the Task Force on p. 75). With extended co-operation from the Dominion Bureau of Statistics, the proposal for an information bank in the Department of Housing and Urban Affairs could be accomplished very quickly.

The one example of a 'pilot project' is the recommendation that the federal government, in co-operation with a provincial government, should seriously consider the construction of a 'new city' where proposed urban solutions could be tested in an actual environment. The idea of new cities is at least as old as Ebenezer Howard's *Garden Cities of Tomorrow* (1898) and has had extensive experimentation under the British New Towns Act, 1946.<sup>14</sup> But none of these was an example of 'human experimentation.' Are *people* to be allowed – or forced – to live in this 'new city'? Is it to have 'citizen participation'? Is it even to have an old-fashioned 'council'? Who will design this experiment?

### Conclusions

While it has been necessary in all conscience to criticize many of the Task Force's recommendations, it has been possible to put forward a number of constructive suggestions, which may be considered if the government of Canada intends seriously to carry out a more positive programme of federal assistance in urban development. These constructive suggestions have included the following proposals, which I put forward as the most important.

The vitally important proposal that local governments acquire land for development should be accompanied by a study of the compensation-betterment problem and the encouragement of leasehold development. If capital-gains taxation is to apply to rising land values, there should be provision for some of this revenue to find its way directly into the hands of the local governments that contributed to the increased value. The proposed research into the rela-

14. New Towns Act, 1946, 9 & 10 Geo. vi, c. 68. For an early and very critical review, see Rodwin, *The British New Towns Policy* (1956).

tions between urban growth and regional government should be extended to regions other than the city-centred, particularly to interprovincial regions which may be crucially important planning units in a country the size and shape of Canada. In any event, federal encouragement to planning should be directed not to fragmented planning that is doomed to failure before it starts, but to comprehensive urban and regional planning. Urban renewal planning should, for example, be encouraged only as part of general planning, and not as an end in itself. An area of inquiry that needs help is the role of the citizen in local government, especially in 'participatory democracy' that fails to accomplish other ends of government because direct participation is too time consuming. Or, as our grandfathers might have said, 'Too many cooks spoil the broth.' The proposed Department of Housing and Urban Affairs should give way to a Department of Urban and Regional Affairs, before the quite reasonable ambitions of two ministers result in separate departments, with less chance of co-ordinated planning, and with a built-in exaggeration of the role of housing in urban development. There are many other things the federal government can do, and should do, to facilitate Canada's growth as an urban and industrial state, but if a strong Department of Urban and Regional Affairs is established, the programme can be developed after proper inquiry and research.

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